

## Message Text

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ACTION OES-04

INFO OCT-01 EUR-12 IO-10 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 FEA-01 ACDA-05 EB-07 NRC-05 OMB-01 TRSE-00

/092 W

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R 022136Z SEP 75

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 7408

INFO AMEMBASSY BUCHAREST

AMEMBASSY BELGRADE

AMEMBASSY BERLIN

AMEMBASSY BUDAPEST

AMEMBASSY HELSINKI

AMEMBASSY MOSCOW

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY WARSAW

USMISSION IAEA VIENNA

USDOC WASHDC

USERDA GERMANTOWN MD

C O N F I D E N T I A L OTTAWA 3297

E.O. 11652: GDS

TAGS: TECH, ENRG, RO, CA

SUBJ: ROMANIAN NUCLEAR ENERGY PROGRAM

REF: BUCHAREST 2873; STATE 200646

1. BEGIN SUMMARY: A CHECK WITH SENIOR CANADIAN ATOMIC ENERGY  
OFFICIALS INDICATES THAT IF ROMANIANS HAVE MADE DECISION NOTED  
IN BUCHAREST REFTEL, IT HAS NOT RPT NOT BEEN COMMUNICATED  
TO CANADIANS IN CATEGORICAL TERMS USED BY ROMANIAN SCIENCE  
ADMINISTRATOR. AECL FEELS NEGOTIATIONS HAVE MOVED "A BIT"  
SINCE MARCH BUT BELIEVE THEY ARE A LONG WAY YET  
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FROM FORMAL AGREEMENT. END SUMMARY.

2. DEPT AND EMBASSY BUCHAREST WILL RECALL THAT CANADIAN-ROMANIAN NEGOTIATIONS FOR A CANDU-TYPE NUCLEAR POWER REACTOR GO BACK TO THE 1950'S. BECAUSE OF THIS TIME SPAN, BRIEF HISTORICAL RECAP MAY BE OF VALUE TO DEPT AND INFO ADDRESSEES. NEGOTIATIONS WITH ROMANIA WERE INITIATED BY CANADIAN GENERAL ELECTRIC (CGE) AFTER GOC CONSULTATIONS WITH US, UK AND PERHAPS OTHERS. THESE NEGOTIATIONS BEGAN AT A TIME WHEN SOVIETS WERE BEING TRULY RECALCITRANT ON SUBJECT OF SAFEGUARDS AND WERE ABETTED IN THEIR OBSTRUCTIONISM AT IAEA BY INDIAN AMBASSADOR LALL AND UAR. CONSENSUS (AT LEAST AMONG CANADIAN, UK, AND US SAFEGUARDS POLICYMAKERS) AT THAT TIME WAS THAT IF CGE COULD SCORE A BREAKTHROUGH AND SELL A POWER REACTOR WITH SAFEGUARDS TO ROMANIA, IT MIGHT PROVIDE SIGNIFICANCE ASSISTANCE IN RESOLVING WHAT THEN APPEARED TO BE A TOTAL IMPASSE ON LARGER SAFEGUARDS ISSUES IN IAEA FORUM. BEFORE GOC PERMITTED CGE TO OPEN NEGOTIATIONS, US AND UK INFORMALLY ADVISED GOC THAT IF ADEQUATE SAFEGUARDS THROUGH IAEA WERE INCLUDED IN CANADIAN-ROMANIAN AGREEMENT US AND UK WOULD SUPPORT NECESSARY COCOM EXEMPTION. AECL INHERITED CGE'S "ROMANIAN CAPER" WHEN CGE WENT OUT OF THE POWER REACTOR BUSINESS IN THE 1960'S. SINCE THEN NEGOTIATIONS BETWEEN AECL AND GOR HAVE BLOWN HOT AND COLD OVER THE YEARS. GRAY, FORMER PRESIDENT OF AECL, FELT VERY STRONGLY THAT CANADIAN-ROMANIAN PROGRAM COULD SERVE LARGER INTERESTS OF WESTERN COUNTRIES. HE WAS NEVER VERY SPECIFIC ABOUT WHAT THESE LARGER INTERESTS WERE, PROBABLY BECAUSE THEY WERE NOT REALLY CLEAR IN HIS OWN MIND, BUT AFTER THE ADVENT OF "DETENTE POLICY," DID MAKE SWEEPING REFERENCES TO IT AS AN EXAMPLE OF WHAT HE MEANT. EMBASSY SCICOUNS, WHO KNOWS GRAY PERSONALLY AND FULLY RECOGNIZES GRAY'S PRAGMATIC, SOMEWHAT FLAMBOYANT HARDHEADEDNESS, HAS NEVER REALLY DOUBTED THAT THIS SOMEWHAT OUT-OF-CHARACTER, IDEALISTIC MOTIVATION IN THE CASE OF ROMANIA WAS GENUINE. ALTHOUGH GENERALLY ACCEPTED IN CANADIAN CIRCLES, IT DID HAVE AND CONTINUES TO HAVE SERIOUS HIGH-LEVEL ANTAGONISTS, AMONG THEM MUST BE RECKONED TWO POWERFUL VICE PRESIDENTS WITHIN AECL ITSELF.

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3. IN THE AREA OF MORE RECENT EVENTS, AECL REPORTS THAT ROMANIA RECENTLY RETURNED PROPOSED DRAFT AGREEMENTS CONVEYED TO THEM IN MARCH. (EMBASSY SCICOUNS HAS IMPRESSION IT HAS BEEN WITHIN MONTH OR TWO). RETURNED DRAFTS HAD BEEN SWITCHED AROUND BOTH PROGRAMMATICALLY AND IN TERMS OF POLITICAL CONTENT SO THAT THEY WERE NO LONGER ACCEPTABLE TO GOC. AECL "CONSIDERED OPINION" IS THAT THERE MAY BE LESS POLITICAL PROBLEM THAN PROGRAMMATIC. AFTER

SO LONG A NEGOTIATION, AECL HAS NO INTENTION OF ENTERING INTO A "GUNG HO" CRASH EFFORT TO BUILD A CANDU SYSTEM IN ROMANIA. AECL'S PROPOSAL WAS THAT INITIAL STEP IN THE PROGRAM MUST BE JOINT TECHNICAL STUDY FOR APPROXIMATELY ONE YEAR TO OUTLINE IN VERY SPECIFIC TERMS WHAT ROMANIANS REALLY WANT AND WHAT THE TOTAL PROGRAM TIME SCALE COULD REALISTICALLY BE.

4. DEPENDING UPON WHAT THE PROGRAM WAS TO BE, AN ADEQUATE SAFEGUARDS AGREEMENT WOULD HAVE TO BE "SIGNED, SEALED AND DELIVERED" BEFORE AECL OR GOC TOOK NEXT STEP.

5. APPARENTLY CANADIANS HAVE HAD SOME INDICATION THAT ROMANIANS MAY FINALLY BE MOVING. AS NOTED IN PREVIOUS OTTAWA REPORTING, HOWEVER, SENIOR OFFICIALS ARE STILL NOT PREPARED TO COUNT THIS "CHICKEN" UNTIL IT EMERGES FROM THE SHELL.  
PORTER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NUCLEAR ENERGY, NUCLEAR REACTORS, NUCLEAR COOPERATION PROGRAMS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
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**To:** STATE  
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